



AOT in Action

Welcome to AOT in Action, your weekly e-newsletter from the Arizona Office of Tourism (AOT).

A Message from Director Sherry Henry:

Good morning,

There are only **two weeks** left to get your **Governor's Tourism Award** nomination in for judging! This is a wonderful opportunity to celebrate and acknowledge the great achievements of the many members of the Arizona tourism industry.

Please note that we have a revised timeline this year, so don't miss your chance to nominate an individual or organization you feel deserves one of these distinguished awards. We are accepting nominations until **Friday, April 16**. More information can be found in the **AOT News** section below.

Speaking of celebrations...join us as we "Celebrate Arizona"!

Arizona Highways Television is launching "Celebrate Arizona," a new community outreach program. Beginning in April, Arizona Highways Television and its industry partners, the Arizona Office of Tourism, APS, Wells Fargo Bank, Arizona Lottery and the Arizona Department of Commerce, will be participating in panel discussions in communities throughout the Grand Canyon State. These discussion groups will offer a great dialog with community leaders about issues related to their area.

The first, "Celebrate Arizona" event will be held in Pinal County on April 14th. Four other community forums are scheduled to occur throughout the rest of the calendar year. Be sure to look out for this informative event coming to your community soon!

For more information about the first "Celebrate Arizona" event, please read the **AOT News** section below.

Have a great week!

AOT News

Last Chance to Participate in the ATU Social Media Workshop!

The Arizona Office of Tourism is proud to present the next series of highly-informative Arizona Tourism University workshops. This complimentary workshop series, titled **First Why, Then How: Creating a Social Media Strategic Roadmap**, will begin in March. Webinar – presentation delivered right to your desktop!

The workshop will be presented by Jay Baer, one of the world's most popular social media consultants and bloggers. He is the creator of the *7-step Social Media Strategic Planning Process* and the *Twitter 20* series of live Twitter interviews. An online marketing pioneer, he has worked with more than 700 companies - and 25 of the Fortune 1000 - since 1994.

Be sure to sign up today by sending your RSVP to ATURSVP@azot.gov.

First Why, Then How: Creating a Social Media Strategic Roadmap complimentary webinar will be held **Friday, April 9** from 1:00 to 3:30 p.m.

To register, send your contact information to ATURSVP@azot.gov.

AOT Now Accepting Nominations for Governor's Tourism Awards!

The Arizona Office of Tourism and our partners are busy coordinating plans for the next annual Governor's Conference on Tourism, July 12-14, at Loews Ventana Canyon Resort in Tucson. The conference is the premier event for members of the travel industry to participate in dynamic work sessions and listen to informative guest speakers.

In addition to the conference, AOT coordinates the **Governor's Tourism Awards**, honoring individuals and organizations that have contributed noteworthy achievements over the past year to the betterment of the tourism industry. These award recipients are fine examples of leadership, commitment and teamwork that have helped make the Grand Canyon State a premier travel destination.

AOT invites you to review the 2010 award categories and guidelines and submit nominations of individuals or organizations that have made a significant contribution to the tourism industry. The winners will be awarded at the Governor's Tourism Awards Luncheon on Tuesday, July 13. All submissions must be received by **April 16, 2010**. Please visit the [Governor's Conference on Tourism](http://www.azot.gov) section of www.azot.gov for award categories, guidelines and nomination forms.

Look for future editions of **AOT in Action** for Governor's Conference on Tourism registration information!

Arizona Highways Television Launches "Celebrate Arizona"!

Arizona Highways Television and its partners; APS, Wells Fargo Bank, Arizona Lottery, Arizona Office of Tourism and the Arizona Department of Commerce invite you to be our Guest at our

very first “Celebrate Arizona” event being held in Pinal County. Please join us in the festivities as Pinal County takes center stage and we celebrate you and your communities.

The Pinal County “Celebrate Arizona breakfast will be held Wednesday April 14, 2010 from 7:30AM-9:00 a.m. at the Windmill 1140 West Butte Avenue, Florence, AZ 85232, (480) 415-034. Moderated by Arizona Highways Television’s Robin Sewell, representatives from APS, Wells Fargo Bank, Arizona Lottery, Arizona Office of Tourism and Arizona Department of Commerce will host this celebration of great success stories found in Pinal County.

Upcoming Events & Activities

[French Tour Operator Road Show](#)

Date: April – May

Location: Lille, Toulouse and Nantes

[Japanese Receptive Operator Sales Mission \(Las Vegas\)](#)

Date: April 17

Location: Las Vegas, NV

[AAA/CAA FAM Tour](#)

Date: April 28 – May 2

Location: Glendale, Greater Phoenix Area, Grand Canyon and Wickenburg

Industry News

SAVE the DATE: Arizona Highways Travel Show – May 22 & 23

The Arizona Highways Travel Show provides an opportunity for communities, along with industry-related organizations and companies to promote their tourism destinations directly to potential customers in the Phoenix market.

The Arizona Highways Travel Show had an extremely successful inaugural show last year and looks to build upon that success. More than 100 exhibitors participated in last year’s event where more than 3,000 attendees were looking for travel locations and things to do in the summer and fall in Arizona.

Show Details:

Arizona Highways Travel Show

Phoenix Convention Center – Hall F

May 22 & 23, 2010

10:00 a.m. – 5:00 p.m.

To register for a booth at the show:

www.arizonahighwaystravelshow.com

Booth prices start at: \$650.00 – *opportunities to share a booth are available*

Rich Ripley

Arizona Highways Travel Show

Presented by KTVK - 3TV

480-838-9123

rich@azinco.com

www.arizonahighwaystravelshow.com

"AIG EFFECT" May Start to End Soon

Resort Owners' long nightmare known as the "AIG effect" may start to end soon, according to a veteran hospitality analyst who predicts that U.S. companies will hold meetings-at least a few of them-at nice hotels again this year. Upscale hotels that used to depend on group business from corporations holding off-site strategy sessions or rewarding top-performing employees with trips have been hammered by the recession. Companies canceled outings to plush resorts in part because top brass didn't want to look like Marie Antoinette, basking in luxury while legions of others lost their jobs.

Some hospitality industry experts think resorts may see more business from corporate America this year. Consultant David M. Brudney of Carlsbad, Calif., predicted big business meetings will make a moderate comeback in 2010 before flowering again in two or three years. "You have to wonder," he said, "how much pent-up demand there has to be after 18 months or more of canceled meetings, incentive trips and those all-important rewards for so many worthy qualifiers. Surely, corporate America must realize by now how valuable those gatherings are for face-to-face, human interaction, communication, continuing education, morale building and recognition." (www.latimes.com/Business, Sat.; *Travel Advance*, March 29)

Big Weekend for Glendale

Glendale had a record-breaking weekend as more than 122,000 visitors converged on the west Valley city to enjoy sports and entertainment, including WrestleMania XXVI, a Paul McCartney concert, a NHL Coyotes game, spring training baseball games.

The events were held at several venues, including University of Phoenix Stadium, Jobing.com Arena and Camelback Ranch.

WrestleMania XXVI alone grossed \$5.8 million, becoming the highest grossing and attended entertainment event ever held at the stadium. The sold-out event attracted 72,219 fans from 50 states and 26 countries, attracting more fans than even the 2008 Super Bowl (71,101).

While earlier in the day securing a spot in the playoffs, Saturday evening the Phoenix Coyotes played to a sold-out crowd of 17,188 and beat the Colorado Avalanche.

Camelback Ranch broke an attendance record on Saturday for the fourth time this season, attracting more than 13,583 to the game between the Seattle Mariners and Los Angeles Dodgers.

Paul McCartney opened his "Up and Coming" tour in Glendale, to another sold-out crowd at the Jobing.com Arena, selling more than 14,000 tickets in less than a month.

Glendale hotels this past weekend were at 100-percent occupancy and restaurants and businesses in and around the sports and entertainment district saw an upswing in business this weekend from event goers. The weekend activities cap off the busiest month yet for Glendale's Sports and Entertainment District. *(KTAR Newsroom, March 29)*

Fewer Air Passengers Traveled in 2009, Report Says

Confirming what most industry experts already knew, a government report released Monday said U.S. airlines carried 5.3 percent fewer passengers in 2009 than they did in the previous year. The Bureau of Transportation Statistics said 769.6 million domestic and international passengers flew in 2009, down from the 812.2 million who traveled in 2008. As the economic recession took its toll on airlines, February was the worst month for domestic airlines last year, with a passenger decline of 12 percent compared with February 2008.

For the third year in a row, Dallas-based Southwest Airlines carried the most domestic passengers, with 101 million. Southwest also held on to its customers better than all but its much smaller competitors, JetBlue and SkyWest. The government's report counted Delta Air Lines and Northwest Airlines separately, although the two big carriers formally merged in January. Had the 2009 traffic for those two airlines been combined, Delta/Northwest would have ranked No. 1, with 108 million passengers. American Airlines carried the most international passengers to and from the U.S. with 19.5 million, the 20th year in a row that the Fort Worth-based carrier has held that top spot. Atlanta Hartsfield-Jackson was the busiest U.S. airport, with 42.1 million passengers, 3.4 percent fewer than 2008. *(www.Star-Telegram.com/Business; Page 1B, USA Today; Travel Advance, March 30)*

International Visitor Spending Declined in January

The Department of Commerce said international visitors spent an estimated \$10.3 billion on travel to, and tourism-related activities within, the U.S. during the month of January—nearly \$310 million less than was spent in January 2009. Purchases of travel and tourism-related goods and services by international visitors traveling in the U.S. totaled \$8.1 billion during January, a decrease of nearly 1 percent in comparison with last year. These goods and services include food, lodging, recreation, gifts, entertainment, local transportation in the U.S. and other items incidental to foreign travel. Fares received by U.S. carriers and U.S. vessel operators from international visitors declined more than 10 percent to \$2.3 billion for the month, a decrease of nearly \$300 million from January 2009. January marks the 15th consecutive month in which U.S. travel and tourism-related exports were lower when compared to the same period of the previous year. *(Special to TA; Travel Advance, March 31)*

U.S.-EU Expand Open Skies Accord

An aviation agreement that allows airlines to operate flights more freely between the U.S. and Europe is being expanded to include more cooperation between the countries on security and ease of travel.

The Transportation Department said Thursday the U.S. and European Union agreed that the terms of the 2007 pact should remain in place indefinitely.

The new agreement expands U.S.-EU cooperation on safety and competition, provides greater protections for U.S. carriers from local restrictions on night flights at European airports, and includes an article on the importance of high labor standards in the airline industry.

The expanded cooperation on security calls for the U.S. and the EU, when possible, to rely on each other's security measures to a greater degree to reduce unnecessary duplication. The security efforts will include regular consultations on changes in existing requirements, coordination of airport assessment activities, air carrier inspections where possible and exchange of information on new security technologies and procedures.

DOT did not immediately provide details of the night flights issue, though shipping giant UPS said it will benefit because the measure helps ensure that night flight restrictions at European airports are more consistent. Under the agreement, the policies between airports can't be arbitrary and must be subjected to a cost-benefit analysis, UPS spokesman Norman Black said.

As for the labor issue, according to documents released by the DOT, the U.S. delegation noted that labor groups in this country have benefited by having a single representative for a work group at an airline. That principle has helped promote rights for both airline flight and ground workers to organize themselves and to negotiate and enforce contract agreements.

Some workers at British Airways are currently on strike and workers of at least two other European carriers have threatened a walkout. In the U.S., the Railway Labor Act limits the ability of unionized airline workers to strike.

The new agreement contains no commitment to change existing statutes that limit foreign ownership in U.S. carriers and bar foreign control of U.S. carriers, DOT spokesman Bill Mosley said.

Foreign ownership in a U.S. air carrier is limited to 25 percent of the voting interest in the carrier.

Besides giving airlines greater access to serve other countries, open skies agreements also are a necessary step to allow U.S. and foreign carriers to form their own pacts to share costs and revenue and coordinate flight schedules.

For example, Delta Air Lines and Air France-KLM have a joint venture on trans-Atlantic flights.

An open skies agreement between the U.S. and Japan reached in December seeks to relax flights between the two countries. Already, American Airlines has signaled that it wants to cooperate more closely with partner Japan Airlines.

A joint venture allows airlines to share costs and revenue on certain flights regardless of which airline owns or flies the aircraft. It differs from a codesharing agreement where one airline bears all the costs but another airline might get a share of the revenue for booking a customer on a flight.

The DOT said the new U.S.-EU agreement was concluded after eight rounds of talks, the most recent of which included three days of talks in Brussels.

A trade group for U.S. carriers hailed the expanded open skies agreement, while a trade group for international airlines said it was disappointed there wasn't significant progress on the foreign ownership issue.

The original pact eliminated restrictions on services between the U.S. and EU member states, allowing airlines from both sides to select routes and destinations based on consumer demand for both passenger and cargo services, without limitations on the number of U.S. or EU carriers that can fly between the two markets or the number of flights they can operate. (*The Associated Press, March 25*)

China to be World's Top Tourist Destination by 2015

A senior official with the United Nations World Tourism Organization (UNWTO) said Sunday China is expected to become the world's largest tourist destination by 2015.

"China, as we predict, is going to become the world's No. 1 tourist destination by the year 2015," said Taleb Rifai, secretary general of the UNWTO. "China is almost there. It is now the world's fourth largest destination when it comes to incoming tourists, and the rates of growth are moving so quickly that we think this is a realistic target," Rifai said.

France is currently the country receiving the most international tourists, at 80 million per year, followed by the United States and Spain, both at 60 million a year, while China has about 48 million, he said.

"China's tourism economy has moved incredibly in the last ten years. The number of incoming tourists rose from 8 million to 48 million. The potential of the growth is still big because of the size of China," Rifai said.

According to Xinhuanet Rifai said the global tourism industry is improving but challenges remain due to the weak economy. (*Marketing & Tourism Trends, March 31*)

IATA Predicts Air Traffic Recovery by Summer

The International Air Transport Association today reported global airline traffic is building at a pace that will bring passenger volumes back to pre-recession levels this summer. IATA reported February passenger demand, as measured by revenue passenger kilometers, increased 9.5 percent over the same period in 2009. IATA called those "strong gains," but noted that February 2009 represented "the bottom of the cycle for passenger traffic during the global economic recession," skewing year-over-year comparisons.

Still, IATA reported passenger demand would only need to build an additional 1.4 percent to "return to pre-crisis levels." Those worldwide demand gains are being driven by strong

performances among Middle Eastern, Asia/Pacific and Latin American carriers. Though growing in Europe and North America, February passenger demand in those two regions fell short of the 9.5 percent industry-wide growth average, growing by 4.3 percent and 4.5 percent, respectively. (*www.BTNOnline.com*, 3/20; *Travel Advance*, April 2)

Hotel Leading Indicator Recovers in February

The U.S. Hotel Industry Leading Indicator went up 0.6 percent in February, gaining ground after January's 0.1 percent decline, according to economic research firm e-forecasting.com in conjunction with Smith Travel Research. HIL is a composite leading indicator that, on average, leads the industry's business activity by four to five months. The latest increase brought the index to a reading of 111.8. The index was set to equal 100 in 2000. The indicator's six-month growth rate, which is a signal of turning points, went up by an annual rate of 12.2 percent in February, after increasing 12.6 percent in January.

Seven of the nine components that make up the HIL had a positive contribution in February-Weekly Hours in Hotels, Hotel Profitability, International Visitors Future Demand, Interest Rate Spread, New Orders for Manufactured Goods, Oil Prices and Housing Activity. Two of the nine components had a negative or zero contribution-Labor Market Tightness and National Vacation Barometer. (*www.TravelPulse.com*, 4/1; *Travel Advance*, April 2)

Meetings and Events Spending up in Q1

After a sizable decline in 2009, spending on meetings and events was up by 10 percent in the first quarter of 2010 compared to the same period in 2008-before the start of the recession-according to a new report from Advito, BCD Travel's consulting unit. The report, an update of Advito's 2010 Industry Forecast originally published in October, concluded that while pricing remains low, meeting suppliers are confident it will trend upwards as the year goes on. As a result, Advito reported, many of them are making an effort to include stricter penalties and attrition clauses in their contracts, and fewer are willing to sign multi-year contracts. Corporate travel in general also appears to be on the mend, according to Advito, which reported a double-digit increase in overall corporate travel demand during the first quarter of 2010. (*www.MiMegasite.com*, 4/1; *Travel Advance*, April 2)

Arizona Lawmakers Take Step Toward Reinstating Tourism Funding

A proposal in the Arizona House of Representatives could restore some lost funding to the Arizona Office of Tourism. As legislators look to close a \$3.5 billion state budget deficit, they have cut the budgets of a number of departments, including the Arizona Office of Tourism.

As part of the state budget just approved by legislators, the transaction privilege tax formula funding for the Tourism Office was removed. TPT money comes from bed, restaurant and amusement taxes collected from businesses across the state. Those funds totaled about \$14.6 million in fiscal 2010, and legislators appropriated \$10.7 million of it to the Tourism Office through the TPT formula.

But the fiscal 2011 budget swept that funding from the Tourism Office completely, eliminating the formula and earmarking all TPT funds for the General Fund instead.

Under the new state budget, the department's funding will come only from a portion of Indian gaming fees and revenue collected under Proposition 302, a voter-approved 1 percent bed and 3.25 percent car rental tax in Maricopa County -- money the office has received in prior years. While the amount fluctuates based on sales receipts, it is estimated at about \$2.5 million for fiscal 2011. That money will be used to fund the department's operations overhead and staffing, according to AOT.

By comparison, the fiscal 2010 budget totaled \$22 million including the TPT funding.

The bill now being considered by state lawmakers would reinstate the TPT formula. The measure, House Bill 2243, is sponsored by Rep. Michele Reagan, R-Scottsdale. Reagan was not available for comment.

The bill would set the stage for legislators to revive the Tourism Office budget with those TPT monies at a later date, said House Republican Majority spokesman Paul Boyer.

"Even though AOT won't be funded (through TPT), this will put that formula back into Arizona statute," he said.

Kristen Jarnagin, spokeswoman for the Arizona Hotel and Lodging Association, said the bill is important because the TPT formula is "the foundation of tourism funding. If the state needs to do other things with that money during tough times, we understand. We want to be supportive, but the Arizona Office of Tourism needs to have that funding renewed -- and the sooner, the better," she said.

The bill is making its way through the state House of Representatives and has passed the Appropriations and Rules committees. Still, the measure must make it through the caucus and be approved formally by the House of Representatives, then move on to the Senate for consideration. If it passes all of those steps, it would go to Gov. Jan Brewer for signature.

AOT Director Sherry Henry said state budget cuts will impact the department, but her office will continue working to enhance the state's economy.

"We are very appreciative of Gov. Brewer and the Legislature for their continued support of the tourism industry," Henry said. "Yes, we have less money ... but our mission doesn't change. Our goal is to enhance the economy by prompting tourism." (Phoenix Business Journal, Friday, April 2)

Calendar of Events

Visit www.ArizonaGuide.com to find information on all the exciting [events, festivals and activities](#) held throughout the Grand Canyon State!

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